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GLOBAL LIFE INSURANCE COMPANY ANNUAL REPORT 1967

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NEWS RELEASE

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Global Life Insurance Company,
Global House,
480 University Avenue,
Toronto 2, Ontario.

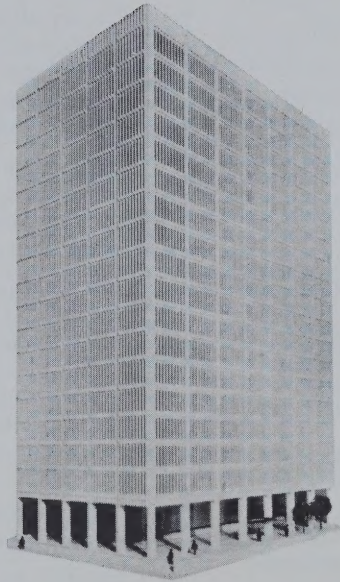
ENQUIRIES:

David F. Eustace,
Director of Agencies,
Telephone: 366-5211.

Global Life Insurance Company completed its first ten full calendar years in 1967. At the Annual General Meeting held at Global House Tuesday, February 27th, Mr. H. E. Lumsden, President, reported gains and sound progress in 1967 even though the year was characterized throughout by world uncertainty and apprehension regarding general economic trends.

During Global Life's first decade, it has assumed a position of stature on the Canadian Life Insurance scene, with assets of \$24,530,897 and insurance in force of \$409,712,887. It now ranks with the leaders not only in Canada but on the North American continent.

New business in 1967 was \$72,136,024 up from \$70,182,246 in 1966. Benefits amounted to \$1,253,042. The Company had an excess of revenue over expenses of \$130,052.



Head Office
Global House
480 University Ave., Toronto

Report of the Board of Directors

As Canada celebrated its first 100 years of confederation, Global Life completed its first ten full calendar years. Beginning in the latter part of 1957 Global has, during its first decade, assumed a position of stature on the Canadian Life Insurance scene. With assets of \$24,530,897 and insurance in force of \$409,712,887, it ranks with the leaders not only in Canada but on the North American continent. Therefore, with pleasure, the Board of Directors present its Report for the year 1967.

Insurance in Force — New Business — Benefits

406,956,185
end of 66.
Total life and annuity business in force at year end amounted to \$409,712,887. Ordinary Life and Annuities accounted for \$315,257,108, while Group Life and Annuities amounted to \$94,455,779.

New business in the aggregate was \$72,136,024, up from \$70,182,248 in 1966. New direct ordinary business settled was \$24,803,193 reflecting the planned control of the flow of business which was designed, and in fact proved to be, compatible to and consistent with Company objectives.

Benefits, during 1967, under Global Life policies, including payments to living policyholders in the form of Accident and Sickness Benefits, Annuity Payments and Disability Income, as well as payments to beneficiaries, amounted to \$1,253,045.

Operations

Gains and sound progress were achieved by the Company in 1967 even though the year was characterized throughout by world uncertainty and apprehension regarding general economic trends. The goals attained, however, again give credence to the fundamental role of life insurance in individual and business financial undertakings, regardless of economic conditions. Economy in all segments of our operations was experienced, the yield on investments satisfactory, and the gain on sale of investments significant. These things combined had the effect of showing an excess of revenue over expenses of \$130,052.

Agency

The Company continues to acquire its business from a relatively few highly qualified sales representatives who render complete service and who, for the most part, confine their efforts to insurance programming and estate analysis. The

concentration of effort on these select aspects of marketing, combined with the skills employed by our representatives, produces a very high average size policy. Not only do our agents serve their clients well, but additionally, contribute in large measure to the efficiency of our administration procedures.

Early in the year a second branch was established in Windsor, Ontario. In concert with other Company branches and agencies it gave an excellent account of itself.

Six Company representatives each produced volumes of new insurance in excess of \$1,000,000. Of these, four qualified as members of the internationally renowned Million Dollar Round Table. Thirteen of the Company's sales personnel received the coveted National Quality Award, two more than in 1966.

Board of Directors

During the year we were saddened by the deaths of Mr. G. E. Phipps and Mr. W. C. Mainwaring. Mr. Phipps, who became a director in 1958 and Mr. Mainwaring who joined the Board in 1959, served the Company loyally and with great distinction.

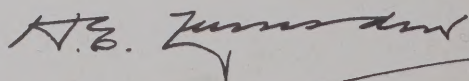
Policyowners

Appreciation is expressed to policyowners for their continued support and confidence. To each we extend an invitation to grow steadily with us toward enlarged Company goals in the years ahead. The achievements of the past, satisfying though they might be, provide only a point of departure for attainments of the future.

Our People

To our associates in the Head Office and Field, the Directors express their gratitude for loyal and devoted efforts.

On behalf of the Board,



H. E. LUMSDEN.
President.

Statement of Operations for 1967 (1966 for comparison)

	1967	1966
Revenue		
Premium Income		
Received from Policyholders	\$3,626,293	\$4,049,721
Less Reinsurance Ceded	3,080,658	3,422,349
	545,635	627,372
Reinsurance Received	3,003,271	2,889,481
	3,548,906	3,516,853
Consideration for Settlement Annuities	9,731	—
Investment Income		
Interest and Dividends	928,684	810,114
Profit (Loss) on Sale of Investments	224,590	(61,678)
	4,711,911	4,265,289
Expenditures		
Payments and Provisions for Future Payments to Policyholders and Beneficiaries		
Death Benefits	373,712	607,460
Accident and Sickness Benefits	95,657	92,969
Annuity Payments, Surrender Values, Matured En- dowments, Disability Benefits and Dividends	526,965	628,318
Settlement Annuity Payments	1,330	—
Increase in Reserve for Future Benefits Guaranteed to Policyholders	2,021,576	1,552,826
	3,019,240	2,881,573
Expenses		
Head Office including Directors' Fees of \$9,000	111,690	258,865
Branch and Agency including Commissions	1,174,393	1,293,118
Taxes — Premium	24,970	18,414
— Other	29,231	24,333
Interest	222,335	171,846
	1,562,619	1,766,576
	4,581,859	4,648,149
* Net Income (Loss) Transferred to Surplus	\$ 130,052	\$ (382,860)

Statement of Surplus for 1967 (1966 for comparison)

	1967	1966
Balance — beginning of year	\$ 303,686	\$ 760,302
Adjustment of Book Value of Bonds and Stocks Re- quired by Association of Superintendents of Insur- ance of the Provinces of Canada	43,639	18,756
Dividends on Class A Shares	60,000	55,000
	200,047	686,546
Net Income (Loss)	130,052	(382,860)
Balance — end of year consisting of contributions of \$2,180,000 arising from the issue of shares at a pre- mium less dividends \$315,051, and accumulated operating losses	\$ 330,099	\$ 303,686

GLOBAL LIFE INSURANCE COMPANY

Balance Sheet

as at December 31, 1967

(1966 for comparison)

Assets

	<u>1967</u>	<u>1966</u>
Government, Municipal and Corporation		
Bonds (Note 2)	\$ 9,693,734	\$ 8,793,935
Stocks (Note 2)	677,750	330,295
Real Estate — at cost	750,000	750,000
Policy Loans	337,260	286,236
Cash	91,850	237,529
Outstanding Premiums	103,732	88,268
Deposits with Ceding Reinsurers	12,440,799	10,716,726
Investment Income Due and Accrued	125,620	111,387
Leasehold Improvements — at cost less amortization	130,027	—
Amounts Recoverable from Reinsurers (Note 3)	165,327	141,092
Other Assets	14,798	21,142
	<u>\$24,530,897</u>	<u>\$21,476,610</u>

NOTES:

- Assets and Liabilities in foreign currencies have been converted at the approximate rates prevailing at December 31, 1967.
- Bonds are valued at amortized cost, less provision in the case of one investment. Stocks are valued at cost less provision for decline in market value. The resulting values are not in excess of those prescribed by regulations by the Association of Superintendents of Insurance of the Provinces of Canada.
- Amounts Recoverable from Reinsurers includes \$54,266.00 from an unlicensed reinsurer received in cash subsequent to December 31, 1967.

Liabilities

Reserves for Future Benefits Guaranteed
to Policyholders
Provision for Outstanding and Unreported
Policyholders' Benefits
Prepaid Premiums and Amounts on Deposit held
for Policyholders and Beneficiaries
Amounts on Deposit by Reinsurer
Policyholders' Dividends
Other Liabilities

<u>1967</u>	<u>1966</u>
\$20,677,619	\$17,585,304
577,716	589,016
260,505	178,953
31,630	206,672
59,769	60,812
493,559	452,167
<u>22,100,798</u>	<u>19,072,924</u>

Capital Stock**Authorized:**

10,000 6% cumulative convertible non-voting Class
A shares of \$100 par value \$1,000,000
10,000 non-voting Class B shares of \$100
par value \$1,000,000
10,000 Common shares of \$100
par value \$1,000,000

Issued and fully paid:

10,000 Class A shares
1,000 Class B shares
10,000 Common shares
Surplus

1,000,000	1,000,000
100,000	100,000
1,000,000	1,000,000
330,099	303,686
<u>\$24,530,897</u>	<u>\$21,476,610</u>

APPROVED ON BEHALF OF THE BOARD

N. E. PHIPPS

Director

H. E. LUMSDEN

Director

**AUDITORS' REPORT
TO THE SHAREHOLDERS AND POLICYHOLDERS**

We have examined the balance sheet of Global Life Insurance Company as at December 31, 1967 and the statements of operations and surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The actuarial liabilities of the company, under the various life insurance and annuity contracts, and the aggregate reserve for accident and sickness insurance have been certified to by the Vice-President and Actuary of the company:

In our opinion, based upon our examination and upon the certificate of the Vice-President and Actuary, these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations for the year then ended, in accordance with accounting practices appropriate to the insurance laws of Canada applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO., Chartered Accountants
Toronto, February 9, 1968.

Board of Directors

DR. HANS GERLING

President and Chief Executive Officer of the Gerling Group of Insurance Companies.

NORMAN E. PHIPPS, Q.C.

Partner of White, Bristol, Beck & Phipps, Toronto.
Vice-Chairman of the Board of Global Life Insurance Company.
President of Global General Insurance Company, Global Reinsurance Company.

H. E. LUMSDEN, B.C.E., P.Eng.

President of Global Life Insurance Company.
Chairman of the Board of Lumsden Brothers Limited.
Director of Global General Insurance Company, Global Reinsurance Company.

J. M. R. CORBET

Director of Global General Insurance Company, Global Reinsurance Company.
Director of Mattagami Lake Mines Limited, Canada Permanent Trust Company,
United Accumulative Fund, Area Mines Limited.

R. W. FINLAYSON, M.A.

President of Finlayson Enterprises Ltd.
Director of Global General Insurance Company, Global Reinsurance Company.
Director of Industrial Adhesives Limited.

HON. LOUIS-P. GÉLINAS, M.B.E.

Consultant to Geoffrion, Robert & Gélinas, Inc.
Director of Global General Insurance Company, Global Reinsurance Company.
Director of The Mercantile Bank of Canada, Canadian International Paper Co. Ltd.

BRIG. W. PRESTON GILBRIDE, C.B.E., D.S.O., E.D., LL.D.

Chairman of the Board of A. Bradshaw & Son Limited, Grafton-Fraser Limited.
Director of Global General Insurance Company, Global Reinsurance Company,
Gerling Global Reinsurance Company Ltd., Gerling Global Offices Inc.,
Gerling Insurance Group, Cologne.

C. F. HARRINGTON

President and Director of The Royal Trust Company.
Director of Domco Industries Ltd., Industrial Acceptance Corp. Ltd.,
R. L. Crain Limited.

DR. PETER MEHLHORN

Director of Global General Insurance Company, Global Reinsurance Company,
Gerling Global Reinsurance Company Limited, London, Gerling Global
Reinsurance Company of South Africa Limited.

DR. E. MICHEL MEYER

Director of Global General Insurance Company, Global Reinsurance Company,
Gerling Global Offices Inc., New York, Gerling Global Reinsurance Company
Limited, London, Gerling Global Reinsurance Company of South Africa Limited.

Officers

Dr. Hans Gerling
Chairman of the Board

Norman E. Phipps, Q.C.
Vice-Chairman of the Board

H. E. Lumsden, B.C.E.
President

J. B. Patterson, F.S.A.
Vice-President and Actuary

G. P. Lautenschlaeger
Vice-President and Treasurer

D. F. Eustace
Director of Agencies

W. G. MacLeod, B.A., F.L.M.I.
Secretary and Superintendent of Underwriting

L. R. Nickle
Comptroller

A. J. Marrocco, C.L.U.
Director of Brokerage Services

E. Clark Noble, M.A., M.B. (Tor.), M.R.C.P. (London)
Medical Director

Affiliated Companies

GLOBAL GENERAL INSURANCE COMPANY
GLOBAL REINSURANCE COMPANY

WINDSOR MAIN

R. Horvath, Branch Manager, 1050 University Avenue West

WINDSOR CENTRAL

J. G. Bedard, Branch Manager, 375 Ouellette Avenue

LONDON

R. B. Duffus, Special Representative, 200 Queens Avenue, Suite 617

HAMILTON KING

C. B. Schmuck, C.L.U., Branch Manager, 105 Main Street East, Suite 909

TORONTO

Eric J. Muir & Associates Limited, 480 University Avenue, 15th Floor
Widnhofer and Fitterer Insurance Agency, 1076 Bathurst Street, Suite 204
Miller-Hoffman Insurance Services, 3645 Bathurst Street
Spurge Near Insurance Agency Limited, 1025 Markham Road, Scarborough

TORONTO BAYVIEW

J. S. Thompson, C.L.U., Branch Manager, 2200 Yonge Street, Suite 1705

TORONTO WEST

John Van Strien, C.L.U., Branch Manager, 4180 Dundas Street West

OTTAWA

Thomas S. Gibb, C.L.U., Branch Manager, 196 Bronson Avenue
Douglas Beaudoin Agency, 13 Beechwood Avenue

MONTREAL

de Haerne & Piché Inc., 50 Place Crémazie, Suite 908
Nicholas Insurance Enterprises Limited, 1270 Sherbrooke Street West

GROUP INSURANCE OFFICE

TORONTO

480 University Avenue

